

	Redevelopment Plan)	
5	Business Incubator Space Program (Section 7)	Community Facilities Space (Section 3.2)
6	Home Buyer's Assistance Program (Section 8)	
7	Job Training and Employee Assistance Program (Section 9)	
8	Local Community Priority Leasing Program (Section 10)	
9	Small Business Assistance Programs (Section 11)	
10	Outreach Program (Section 12)	
11		Community Real Estate Broker Program (Section 5.3)
12	Community Facilities Parcels – Phase 1 DDA, Attachment 23	Community Facilities Lots (Section 3.3)
13		Additional Community Facilities (Section 3.4) – Artist Complex, Building 813 and Fire Station Lot
14		Scholarship Fund (Section 1.1)
15		Education Improvement Fund (Section 1.2)
16		Community Health and Wellness Contributions (Section 2)
17	Community Benefits Fund (Fifth Amendment to Phase 1 DDA)	Community Benefits Fund (Section 6)
18	Status Reports (Section 13)	
19		Core Community Benefits Agreement (Section 4)

A more detailed program-by-program description of community benefits and their status updates is provided in the subsequent pages of this memorandum.

#### 1) Construction Assistance Program (“CAP”)

*Program Description:* The CAP applies to Phase 1 and Phase 2. The Phase 1 program is described in Phase 1 CBA Section 3 and has the following elements:

- a) Owner Consolidated Insurance Program (OCIP) that allows interested contractors to sign up for general liability coverage;
- b) Surety Bond Program that relieves BVHP Area Contractors from posting surety bonds for work on the Phase 1 Project;
- c) Technical Assistance in the form of a Contractor Liaison who assists contractors with navigating through the process of contracting for work for the Phase 1 Project;
- d) Financial Assistance in the form of connecting BVHP Area Contractors who are in need of financing with financial institutions; and

- e) Mentorship Program to support emerging MBE/WBE construction related BVHP enterprises by teaming them with experienced mentors.

The Phase 2 CAP as outlined in Phase 2 CBA Section 5.2 provides for a \$1 million contribution to OCII's Surety Bond Program which will be used to assist BVHP contractors in obtaining insurance and credit support that may be required in order to participate in the development of the Phase 2 Project. The Phase 2 CAP also carries forward the Technical Assistance, Contractor Workshops and Training program with a total financial obligation of \$2.5 million over 10 years. The Mentorship Program is limited to Phase 1.

*Status Update for Phase 1:*

As required, the Master Developer has provided the OCIP and has been waiving Surety Bond requirements for BVHP Area Contractors. With the exception of a limited period of time when construction activities stopped, the Phase 1 Master Developer has contracted with consultants to provide Technical Assistance. Butler Enterprises currently administers the Phase 1 and Phase 2 CAP. Previously, Business Development Inc. and John Scott Consulting administered the Phase 1 CAP.

The Mentorship Protégé program was initially administered by Clear Focus and has been subsequently carried out by Renaissance Entrepreneurship Center since 2010. Since Renaissance Entrepreneurship Center has taken over the program, protégés have been able to secure in contracts with a total value of more than \$45,000,000, and have employed more than 180 people, the majority of whom are D10 residents.

*Status Update for Phase 2:* In 2013, the Phase 2 Master Developer hired Butler Enterprises to develop and implement the Phase 2 CAP out of a site office on the Shipyard (Galvez Ave. at Donahue St.) that is staffed Monday through Friday during regular business hours. The CAP staff includes a contract liaison, a project administrator, a trucking administrator and an outreach and technical assistance liaison. To date, Butler Enterprises has organized 20 workshops or classes on topics such as: access the money, estimating and tracking, project execution, contract administration and similar topics. As part of the Financial Assistance obligation, Butler Enterprises has developed a financial guide for community contractors and has started introducing community contractors to bank representatives.

Under the Phase 2 CBA, as part of the CAP, the Phase 2 Master Developer is required to run program to assist truckers residing or based in BVHP in securing contracts for the trucking services needed to complete the demolition, grading and infrastructure for the Phase 2 Project. The Phase 1 Master Developer also utilizes this program for the development of the Phase 1 Project's infrastructure and new homes.

The Phase 2 CBA requires the developer to expend \$250,000 annually on the CAP program for 10 years. To date, the Phase 2 CAP has been operating for almost two years, during which the Phase 2 Master Developer has expended approximately \$265,000, resulting in a shortfall of approximately \$235,000. In accordance with the Phase 2 CBA, the Phase 2 Master Developer will either provide the resulting shortfall to the Legacy Foundation, or continue the CAP beyond the 10 year term until the totality of the \$2.5 million obligation is satisfied.

In accordance with the Phase 2 CBA payment schedule, an initial surety bond contribution of \$250,000 was made by Phase 2 Master Developer 90 days after the first Major Phase Approval by the OCII Commission in January 2014. OCII is working with the City and County of San Francisco ("City") to determine if OCII can participate in the City's Surety Bond Assistance Program, which provides bonding, financial, and business management assistance to local small businesses. Funds from the community benefits program, including the \$250,000 contributed by Phase 2 Master Developer in the spring of 2014, would be used to capitalize bid, performance, and payment bond guarantees of up to 40 percent of a contractor's bond amount, subject to a maximum dollar limit per contractor to ensure benefits accrue to as many small businesses as possible. If OCII is unable to participate in the City's Surety Bond Assistance Program, OCII will explore the possibility of establishing a program that is similar to the City's program.

## 2) Community Builder Program

*Program Description:* As part of the Phase 1 CBA, the Phase 1 Master Developer agreed that 30 percent of market-rate housing lots in Phase 1 would be offered for development in partnership with Community Builders. Community Builders are builders whose business or residence is located in BVHP, or BVHP non-profit groups with the requisite proficiency and experience to develop the project.

Further, in accordance with Section 5.1 of the Phase 2 CBA, the Phase 2 Master Developer agreed to also make available 500 units across a spectrum of affordability levels for development by Community Builders. Additionally, OCII has an obligation to use good faith efforts to involve community partners in the development of at least 300 Agency Affordable Units. Community partners are non-profit organizations that provide services to the residents of the greater southeast interested and qualified to develop, co-develop, or provide social or clinical services to the residents for the Agency Affordable Projects.

The Phase 1 and Phase 2 CBAs provide for Community Builders have to access the program in the following ways:

- a) Acquire assigned lots and develop these lots as an Independent Community Builder;
- b) Jointly acquire an assigned lot with an affiliate of Master Developer and develop the site as a Joint Venture Community Builder; or
- c) Assist a Vertical Developer as a Fee Developer Community Builder without being required to contribute to the costs of the lot purchase or development.

*Status Update for Phase 1:* Community Builder lots have been assigned to eight Community Builders. Community Builder Agreements have been executed for the following Blocks in the Phase 1 Project in accordance with the Community Builder Program:

<b><u>Phase 1 Block Number</u></b>	<b><u>Community Builder</u></b>
Block 53	MDC/C. Churchwell LLC (Rhody McCoy/Dr. Churchwell)
Block 54	BAMEC Inc. (Thomas Shuen)
Blocks 48 F and J	Shiloh Full Gospel Church (Bishop George Lee)